

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Handloom Industry-- National Co-operative Development Corporation - Sanction of an amount of Rs.6,90,00,000/- comprising of Rs.5,52,00,000/- as loan and Rs.1,38,00,000/- as subsidy towards Margin Money Assistance to Dayankhanpalli Handloom Weavers Co-operative Society Ltd., Khajipeta, Kadapa District -- Orders -- Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No.295

Dated: 11- 05-2010

Read the following:-

1. From the President, the Dayankhanpalli Handloom Weavers Co-operative Production and Sales Society Ltd., Khazipet, Kadapa District, Loan Application, dt.25-11-2009.
2. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, Lr.Rc.No.14104/ 2009-K2, dated 01.12.2009.
3. Government of Andhra Pradesh, Lr.No.16933 /Tex.2/2009-2, dated 18-01-2010
4. From the Managing Director, National Co-operative Development Corporation (Handloom Division), New Delhi, Letter No.NCDC: 4-4/2008-Text(HLM)/341(S090244), dated 21-3-2010.
5. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, Letter Rc.No. 14104/ 2009-K2, dt.29-3-2010
6. G.O.Rt.No.2136, Finance (Exp.I&C) Department, dated 26-04-2010.

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**ORDER**

In the reference 3rd read above, the Government have forwarded the loan application of Dayankhanpalli Handloom Weavers Co-operative Society Ltd., Khajipeta, Kadapa District to the National Co-operative Development Corporation, New Delhi with the recommendation to sanction Margin Money assistance loan for an amount of Rs.6,90,00,000/- under National Co-operative Development Corporation Scheme.

2. In the reference 4<sup>th</sup> read above, the Managing Director, National Co-operative Development Corporation, New Delhi has conveyed for sanction of Rs.6,90,00,000/- (Rupees Six Crores and Ninty Lakhs only ) comprising of Rs.5,52,00,000/- as loan and Rs.1,38,00,000 /- as subsidy (subject to availability of subsidy from Govt. of India) to the Government of Andhra Pradesh towards Margin Money assistance to Dayankhanpalli Handloom Weavers Co-operative Society Ltd., Khajipeta, Kadapa District, Andhra Pradesh. The State Government shall provide National Co-operative Development Corporation's loan component assistance to the Society in the form of share capital or loan and subsidy component in the form of subsidy. The assistance will be released by the NCDC to the State Government on reimbursement basis i.e., the State Government will first release the amount sanctioned to the said society and thereafter claim reimbursement from the Corporation.

3. The assistance of Rs.690.00 lakhs (Rupees Six Crores and Ninty Lakhs only ) sanctioned is subject to the conditions that the society:-

- (i) shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;

(P.T.O)

(ii) shall allow and afford facilities to the officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and

(iii) shall make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical / senior personnel for the business of the society.

4. The Managing Director, National Co-operative Development Corporation, New Delhi has further stated that the period of loan to State Government will be for 5 years. There will be no moratorium on repayment of loan and payment of interest. The repayment of loan instalment will commence from the 1<sup>st</sup> anniversary of the deemed date of drawal of loan along with interest.

5. The Managing Director, National Co-operative Development Corporation, New Delhi has further stated that the loan shall carry the rate of interest prevailing at the time of release of funds. Existing effective rate of interest is 9.75% p.a.. Effective rate of interest shall be applicable in case payment of instalment is made on or before due date, normal rate of interest, which is 1% higher than the effective rate shall be applicable. In case of default in payment of instalment, penal interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalment for the period of delay. The other terms and conditions of the Corporation shall be according to National Co-operative Development Corporation, Letter No. NCDC : 1-1/84-Budt, dated 15.10.1984 and No. NCDC : 1-1/1990 -Budt, dated 25-1-2010 and as amended from time to time.

6. The Corporation reserves the right to foreclose and recover the loan assistance from the State Government if :-

- (i) it is not utilised for the purpose for which it has been sanctioned;
- (ii) the society fails to furnish the returns, statements of accounts and other information as may be prescribed or called for by the Corporation from time to time; and
- (iii) if any of the other conditions are not fulfilled.

7. The sanction is valid up to 31.03.2011 by which date the State Government shall provide full assistance to the Society and claim reimbursement from the National Co-operative Development Corporation.

8. In the reference 5<sup>th</sup> read above, the Director of Handlooms & Textiles and Development Commissioner Apparel Export Parks, Hyderabad has stated that the National Co-operative Development Corporation, New Delhi have conveyed its sanction for financial assistance of Rs.690.00 lakhs (Rupees Six Crores and Ninty Lakhs only ) comprising of Rs.552.00 lakhs as loan and Rs.138.00 lakhs as subsidy (subject to availability of subsidy from Government of India) to the Government of Andhra Pradesh towards Margin Money assistance to Dayankhanpalli Handloom Weavers Co-operative Society Ltd. No. W-475, Khajipeta, Kadapa District, Andhra Pradesh. The State Government shall provide the National Co-operative Development Corporation's loan component assistance to the society in the form of share capital or loan and subsidy component in the form of subsidy. The assistance will be released by National Co-operative Development Corporation to the State Government on Reimbursement basis i.e., the State Government will first release the amount sanctioned to the said society and there after claim reimbursement from the National Co-operative Development Corporation. The Director of Handlooms & Textiles and Development Commissioner Apparel Export



Parks, Hyderabad has further stated that the President of the said society has requested for release of the funds to the Society. The Director of Handlooms & Textiles and Development Commissioner Apparel Export Parks, Hyderabad has further stated that the Society has made prompt repayment of the yearly instalment amount (Principal & Interest) as per the repayment scheme fixed by the National Co-operative Development Corporation every year without any default, and hence deserves encouragement.

9. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh Hyderabad has requested the Government for release of Rs.690.00 lakhs (Rupees Six Crores and Ninty Lakhs only) comprising of Rs.552.00 lakhs as loan and Rs.138.00 lakhs as subsidy to Dayankhanpalli Handloom Weavers Co-operative Society Ltd., No. W-475, Khajipeta, Kadapa District, Andhra Pradesh, under National Co-operative Development Corporation scheme of assistance as per the terms of National Co-operative Development Corporation sanction letter along with Budget Release Order.

10. After careful examination Government have decided to sanction an amount of Rs.6,90,00,000/- (Rupees Six Crores and Ninty Lakhs only) may be sanctioned to the Dayankhanpalli Handloom Weavers Co-operative Society, Ltd., Khajipet, Kadapa District as detailed below:

- (a) Rs.5,52,00,000/- as loan in relaxation of Quarterly Regulation Orders; and
- (b) Rs.1,38,00,000/- as Subsidy as additional in relaxation of Treasury Control and Quarterly Regulation Orders

from Budget Estimates provision 2010-11 under Centrally Sponsored Scheme towards Margin Money Assistance from National Co-operative Development Corporation, New Delhi to the State Government on reimbursement basis.

11. Accordingly Government hereby accord sanction for an amount of Rs.6,90,00,000/- (Rupees Six Crores and Ninty Lakhs only) to the Dayankhanpalli Handloom Weavers Co-operative Society Ltd., Khajipet, Kadapa District as detailed below:

- (a) Rs.5,52,00,000/- as loan in relaxation of Quarterly Regulation Orders; and
- (b) Rs. 1,38,00,000/- as Subsidy as additional in relaxation of Treasury Control and Quarterly Regulation Orders

from Budget Estimates provision 2010-11 under Centrally Sponsored Scheme towards Margin Money Assistance from National Co-operative Development Corporation New Delhi to the State Government on reimbursement basis.

12. The expenditure sanctioned in para 11 above shall be subject to the conditions stipulated by the National Co-operative Development Corporation, New Delhi, in the reference 4<sup>th</sup> read above.

13. The expenditure of loan amount of Rs. 5,52,00,000/- (Rupees Five Crores and Fifty Two lakhs only) shall be debited to the following Head of Account:-

- 6860 - Loans for consumer industries
- 01 - Textiles -
- MH-101 - Loans to Cooperative Spinning Mills
- 10- C.S.S.
- 05- Margin Money to Co-operative Spinning Mills
- 001- Margin Money to Cooperative Spinning Mills

and shall be incurred in relaxation of Quarterly Regulation Orders.

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14. The expenditure of subsidy amount of Rs.1,38,00,000 (Rupees One Crore and Thirty Eight lakhs only) shall be debited to the following Head of Account:-

"2851 - Village and Small Industries  
MH.103- Handloom Industries  
G.H.10- Centrally Sponsored Schemes  
SH(58)- Margin Money Assistance to Co-operative Spinning Mills  
310 - Grants-in-aid  
312 - Other Grants-in-aid"

and shall be incurred in relaxation of Treasury Control and Quarterly Regulation Orders.

15. The Assistant Secretary to Government, Finance (DMC) Department, Andhra Pradesh Secretariat, Hyderabad is authorized to draw the loan amount of Rs.5,52,00,000/- (Rupees Five Crores and Fifty Two lakhs only) sanctioned in para 11 above by way of a cheque in favour of Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad who will disburse the same to Dayankhanpally Handloom Weavers Co-operative Society Ltd., Khajipet, Kadapa District. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation (T-Series), New Delhi.

16. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad / concerned Drawing Disbursement Officer is authorized to draw the subsidy amount of Rs.1,38,00,000 (Rupees One Crore and Thirty Eight lakhs only) sanctioned above and disburse the same to Dayankhanpally Handloom Weavers Co-operative Society Ltd., Khajipet, Kadapa District by way of a cheque under the National Co-operative Development Corporation scheme as and when necessity arises for the purpose for which it is sanctioned to the concerned Society. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation (T-Series), New Delhi.

17. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad and Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad are requested to deduct the loan instalment amount sanctioned above from the concerned society viz., Dayankhanpally Handloom Weavers Co-operative Society Ltd., Khajipet, Kadapa District and to remit the same to the State Government Account on due dates under intimation to the National Co-operative Development Corporation, New Delhi.

18. This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.8195-A/154/10/Exp.I&C/2010, dated 26-04-2010, and vide Budget Release Order in G.O.Rt.No.2136, Finance (Exp.I&C) Department, dated 26-4-2010.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

RANJEEV R. ACHARYA,  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The Director of Handlooms and Textiles and Development  
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad  
The Assistant Secretary to Government, Finance (DMC) Department.  
The Vice-Chairman and Managing Director,  
Andhra Pradesh State Handloom Weavers Co-operative  
Society Limited (APCO), Hyderabad.

(Contd...)



The President,  
Dayankhanpalli Handloom Weavers Co-operative Society Ltd., Khajipeta,  
Kadapa District.  
The Accountant General Andhra Pradesh, Hyderabad.  
The Pay and Accounts Officer, Hyderabad.  
The Director of Treasuries of Accounts, A.P., Hyderabad.  
The Managing Director,  
National Co-operative Development Corporation ( NCDC ),  
4, Siri Institutional Area, Hauz Khas, New Delhi.

Copy to:

The Chief Director, National Co-operative Development Corporation,  
2nd Floor, HACA Bhavan, Opp. Public Gardens, Hyderabad.  
The Finance (Exp.I&C)/ (BG) Department  
The Special Secretary to Chief Minister.  
The P.S. to Minister for Handlooms and Textiles.  
The P.S. to Principal Secretary to Government,  
Industries and Commerce Department.  
The Industries and Commerce (L&B) Department.  
Stock File/Spare Copies.

// FORWARDED BY ORDER //

SECTION OFFICER